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C O N F I D E N T I A L SECTION 01 OF 02 DOHA 000651

STPDTS

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SUBJECT: VIETNAMESE CONSUL: LABOR AGREEMENTS WITH QATAR

"JUST PAPER'

REF: A. DOHA 545 _B. DOHA 595

Classified By: Ambassador Joseph E. LeBaron for reasons 1.4 (b and d).

(C) KEY POINTS

- -- During an October 29 meeting with Poloff Caudill, Vietnamese consul Mau Tien Dong dismissed as symbolic ("just paper") the February labor agreement between his country and Qatar under which the GOQ agreed to accept 25,000 Vietnamese workers (Ref A).
- -- He stated that there are 1,750 Vietnamese working in Qatar, and that he did not expect that number to increase in the near future.
- -- He also described as "limited" the Qatari market for Vietnamese agricultural products. He was more optimistic, however, over the prospects of Qatari investment in Vietnam.
- -- Mau said the projected opening of a Qatari embassy in Hanoi by the end of the year remains on target, but that the opening of a consulate in Ho Chi Minh City would be delayed.

(C) COMMENTS

- -- Mau's analysis of Qatar as a destination for Vietnamese labor confirms the Embassy's belief that the optimistic public statements of its former Ambassador and senior Vietnamese visitors greatly overstated the case. Although Qatar has not suffered as badly as some of its Gulf neighbors from the global economic downturn, its need for cheap sources of labor seems to have stabilized. Moreover, to the extent that it needs foreign labor, Qatar has found in Nepal a rich source ready to export its workers to Doha.
- -- We should not be misled by Mau's pessimism over the future of agriculture exports and his optimism over the possibility of Qatari investment; they go hand in hand. Qatar is in the process of formulating a national strategy for food security that we expect to shift from a focus on land ownership in developing countries to land leases and joint ventures with the private sector in developed countries (Ref B). It is likely that one of the top agenda items for the team at the new Qatari embassy in Hanoi will be to initiate a partnership designed to bolster Qatar's food security.

End Key Points and Comments.

11. (C) At an October 28 meeting with Poloff Caudill, Vietnamese consul Mau Tien Dong called the labor agreement between his country and the GOQ "just paper". He said that the February agreement under which the GOQ agreed to accept 25,000 Vietnamese workers (Ref A) was merely a gesture of

goodwill on the part of the two countries, and the success and structure of the Vietnamese economy made the prospects for an exodus to Doha very unlikely. Mau pointed out that Qatar is in need of construction workers, and that the Vietnamese economy supplied sufficient jobs for construction workers there.

- 12. (C) The Vietnamese consul estimated the size of the Vietnamese population in Qatar at 1,750, and predicted that the number would not rise significantly in the near future. This contradicted early press statements by then-Ambassador Phung The Long, which had placed the number at 8,000 (Ref A). He said that any future influx of Vietnamese laborers into Qatar would be skilled workers. He also noted that very few Qataris currently visit Vietnam, but expressed his optimism that tourism would increase as Qataris became educated about his country.
- 13. (C) Mau was guarded in his assessment of the prospects for increased trade between Vietnam and Qatar. He reiterated that Vietnam remains a primarily agricultural country, and that the Qatari market for its main product, rice, was limited. "It takes a while for a country to become used to eating rice, and to the extent that the people here eat rice, India and the Philippines have already cornered the market", he said. He was more optimistic when discussing the opportunities for Qatari financial investment in Vietnam. "They have money, and we have projects", he observed.
- 14. (C) Mau also stepped back from the August announcement that Qatar would open a consulate in Ho Chi Minh City by the end of the year. He said that while he was optimistic that

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the Qatari embassy in Hanoi would open on schedule by year's end, the Ho Chi Minh City consulate might take more time. He explained that both his government and the GOQ were focusing on opening the embassy, as it will foster more government to government ties relative to the consulate; this focus is causing the consulate project to slip.

LeBaron